

S O C I A L S E C U R I T Y T O D A Y

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DIRECT DEPOSIT OF YOUR CHECK

If you apply for and receive Social Security or Supplemental Security Income (SSI) benefits, your monthly benefit payment will go directly into your account at the bank, credit union, or financial institution. If you're planning to apply for benefits, please bring information about your bank and account number with you.

ADVANTAGES OF DIRECT DEPOSIT

Direct deposit is fast, efficient, cost effective, and provides beneficiaries a degree of "security." When your check goes directly from the U.S. Treasury to the bank, you have:

- no paper check to be lost or stolen,
- no waiting for the check to be delivered,
- your assurance that your money gets to the bank,
- no waiting in line at the bank to cash your check.

Also, your money is available the same day you would have received a check.

TWENTY-SIX MILLION PEOPLE CAN'T BE WRONG

More than 60 percent of the 43 million people who get Social Security already receive their benefit by direct deposit. Taxpayers would save \$9.6 million a month if the 24 million Social Security and SSI beneficiaries who now receive checks changed to direct deposit. That's because the government saves 40 cents each time someone uses direct deposit instead of a check. It costs 42 cents to process and mail each check, compared to 2 cents for direct deposit.

HOW TO SWITCH

Beneficiaries who now get checks can easily switch to direct deposit. The next time you're in your bank, ask about automatic enrollment. It is a new method by which the bank sends your account information directly to Social Security. You don't have to contact Social Security.

For the present, Social Security will pay new beneficiaries who don't have a bank account by check. However, they will be required to switch to direct deposit by January 1999. Those who don't have a bank account at that time will have available to them a special debit-only account at a designated bank.



WELFARE REFORM

NEW LAW CHANGES SSI RULES

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed by the President on August 22, 1996. It changes the Supplemental Security Income (SSI) rules for children, noncitizens, and others. A summary of the major provisions follows.

SSI FOR CHILDREN

A new definition of disability requires that, to qualify, children must have more serious physical and mental limitations than before. Because of these changes, some children may no longer be considered disabled. The law requires us to review the cases of certain children who are now eligible for SSI to see if they are disabled under the new definition.

Continuing disability reviews will be conducted every three years for children under age 18. These reviews must also be done no later than 12 months after birth for infants whose eligibility was based on low birth

weight. When recipients attain age 18, Social Security will redetermine their eligibility using the rules for adults filing new claims.

In addition to the new definition of disability, the reforms affect children who live in certain institutions where private health insurance pays for their care. The monthly payment for these children will be reduced to \$30. Before, the \$30 SSI payment applied only when Medicaid paid more than half the cost of their care.

The new law requires that Social Security notify all people affected by these changes. Over 300,000 notices to the representative payees of disabled children will be mailed in November and December.

SSI FOR NONCITIZENS

The new law changes the way we pay SSI to noncitizens. Only those people in the following categories may receive SSI:

- Refugees, people granted asylum, and aliens whose deportation has been withheld (subject to five-year eligibility limit).
- Certain active duty military

personnel and honorably discharged veterans of the U.S. Armed Forces. Spouses and unmarried dependent children of military personnel or veterans may also qualify.

- Noncitizens who have been lawfully admitted for permanent residence and have a total of 40 quarters of work.

During February and March 1997, notices will be sent to over 1,000,000 recipients affected by these changes.

OTHER CHANGES

The new law provides for payments of up to \$400 to some correctional institutions that give information leading to timely suspension of SSI payments. It also denies eligibility for people who are fleeing prosecution, fugitive felons, and those violating a condition of probation or parole.

People who are convicted of making fraudulent statements about their residence to get benefits in two or more states will be denied benefits for 10 years.

For more information about provisions of this new law contact your local Social Security office.